

**State of Illinois
JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
FINANCIAL AUDIT
For the Year Ended June 30, 2007**

**Performed as Special Assistant Auditors
for the Auditor General, State of Illinois**

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
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FOR THE YEAR ENDED JUNE 30, 2007

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JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30

OFFICIALS

Regional Superintendent
(Current and during the Audit Period)

Mr. Robert Koehn

Assistant Regional Superintendent
(Current and during the Audit Period)

Ms. Donna Boros

Offices are located at:

Jackson County Office
Jackson County Court House
Murphysboro, IL 62966

Perry County Office
P.O. Box 285
Pinckneyville, IL 62274

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30

FINANCIAL REPORT SUMMARY

The financial audit testing performed in this audit was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

AUDITORS' REPORTS

The auditors' reports do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit Findings	2	2
Repeated audit findings	1	2
Prior recommendations implemented or not repeated	1	0

Details of audit findings are presented in a separately tabbed report section.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)		
07-01	10a	Inadequate Internal Control Procedures
07-02	10b	Control Over Financial Statement Preparation
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)		
06-01		Controls Over Compliance with Laws and Regulations

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on September 21, 2007. Attending were Robert Koehn, Regional Superintendent, Donna Boros, Assistant Regional Superintendent and Tami S. Colpitts-Knight, CPA, Manager, Kemper CPA Group LLP. Responses to the recommendations were provided by Robert Koehn, Regional Superintendent.

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Jackson and Perry Counties Regional Office of Education #30 was performed by Kemper CPA Group LLP, CPAs.

Based on their audit, the auditors expressed an unqualified opinion on the Jackson and Perry Counties Regional Office of Education #30's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson and Perry Counties Regional Office of Education #30, as of and for the year ended June 30, 2007, which collectively comprise the Jackson and Perry Counties Regional Office of Education #30's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Jackson and Perry Counties Regional Office of Education #30's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson and Perry Counties Regional Office of Education #30, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2008, on our consideration of the Jackson and Perry Counties Regional Office of Education #30's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 13a through 13i is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson and Perry Counties Regional Office of Education #30's basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of Disbursements to School District Treasurer's and Other Entities, and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of Disbursements to School District Treasurer's and Other Entities, and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Marion, Illinois
March 10, 2008

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson and Perry Counties Regional Office of Education #30, as of and for the year ended June 30, 2007, which collectively comprise the Jackson and Perry Counties Regional Office of Education #30's basic financial statements and have issued our report thereon dated March 10, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jackson and Perry Counties Regional Office of Education #30's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Jackson and Perry Counties Regional Office of Education #30's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Jackson and Perry Counties Regional Office of Education #30's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting, 07-01 and 07-02.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, of the significant deficiencies described above, we consider item 07-02 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jackson and Perry Counties Regional Office of Education #30's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Jackson and Perry Counties Regional Office of Education #30's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Jackson and Perry Counties Regional Office of Education #30's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the organization, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Marion, Illinois
March 10, 2008

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? N/A
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? N/A

Type of auditor’s report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)? N/A

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
N/A	N/A

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as a low-risk auditee? N/A

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 07-01 – Inadequate Internal Control Procedures (Repeated from finding 06-2)

Criteria/specific requirement:

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system over disbursements and purchases to prevent errors and fraud.

Condition:

During the audit we noted the following weaknesses in the Regional Office of Education's internal control system:

- A. In our testing of 60 disbursements, we noted the following:
 - a. Six instances where the Regional Office paid sales tax totaling \$88.74.
 - b. One instance where the Regional Office misclassified a travel expense as unemployment insurance.
- B. Two instances were noted where credit card disbursements did not have all of the related supporting receipts attached and reconciled to the statement.

Effect:

Lack of proper review of the various accounting processes, and adequate documentation to support each disbursement could result in unintentional or intentional errors or misappropriations of assets, in which the errors or fraud could be material to the financial statements and may not be detected in a timely manner by employees in the normal course of performing their assigned duties.

Cause:

The Regional Office is not following their established disbursement policy.

Recommendation:

The Regional Office should implement procedures to ensure that their established internal control procedures are being followed for each disbursement.

Management's Response:

The Regional Superintendent concurs with this finding. Accordingly, the Regional Office of Education has implemented procedures to ensure that staff and vendors are aware of the importance of the tax-exempt status of ROE purchases. Disbursement and purchasing procedures as relevant to additional components of this finding will be established to address internal control issues.

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 07-02 –Controls Over Financial Statement Preparation

Criteria/specific requirement:

The Regional Office of Education #30 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #30 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements sufficient for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, there were no entries made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues. The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 07-02 –Controls Over Financial Statement Preparation (Concluded)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #30 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education #30 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in our region.

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
JUNE 30, 2007

Corrective Action Plan

Finding No. 07-01

Condition:

During the audit we noted the following weaknesses in the Regional Office of Education's internal control system:

- A. In our testing of 60 disbursements, we noted the following:
 - a. Six instances where the Regional Office paid sales tax totaling \$88.74.
 - b. One instance where the Regional Office misclassified a travel expense as unemployment insurance.
- B. Two instances were noted where credit card disbursements did not have all of the related supporting receipts attached and reconciled to the statement.

Plan:

The Regional Office will implement procedures to ensure that their established internal control procedures are being followed for each disbursement.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Mr. Robert Koehn, Regional Superintendent

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
JUNE 30, 2007

Corrective Action Plan

Finding No. 07-02

Condition:

The Regional Office of Education #30 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements sufficient for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, there were no entries made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues. The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education #30 understands the nature of this finding and accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in our region.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Mr. Robert Koehn, Regional Superintendent

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2007

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
06-1	A. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.11	Resolved
	B. Controls Over Compliance with the requirements of 105 ILCS 5/3-5	Corrected
	C. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.5	Resolved
06-2	Inadequate Internal Controls over Disbursement Process	Repeated as 07-01

MANAGEMENT'S DISCUSSION AND ANALYSIS

**JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

The Jackson and Perry Counties Regional Office of Education #30 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the Regional Office of Education #30's financial statements, which follow.

The Jackson and Perry Counties Regional Office of Education #30 continued to develop the new reporting standards initiated in FY04. Comparisons are more meaningful and will go further in explaining the Agency's financial position and results of operations. This includes capabilities for closer monitoring and periodic analysis.

2007 FINANCIAL HIGHLIGHTS

- Governmental fund total net assets increased from \$397,807 in fiscal year 2006 to \$436,024 in fiscal year 2007.
- In FY07, the governmental funds fund balance indicated an increase of \$37,943. This increase resulted from an overall increase in state source funding and in investment earnings.
- In FY07 the Regional Office of Education Business-Type Fund increased from \$114,104 beginning balance to \$121,614 ending balance. This increase resulted from more professional development opportunities and greater attendance, therefore, increased the net assets of the proprietary fund.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education #30's financial activities.

The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education #30 as a whole and present an overall view of the Regional Office of Education #30's finances.

The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office of Education #30's operations in more detail than the government-wide financial statements by providing information about the most significant funds.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

USING THIS ANNUAL REPORT (Continued)

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Supplementary information further explains and supports the financial statements, and provides detailed information about the non-major funds.

REPORTING THE REGIONAL OFFICE OF EDUCATION #30 AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The government-wide financial statements report information about the Regional Office of Education #30 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide financial statements report the Regional Office of Education #30's net assets and how they have changed. Net assets are the difference between the assets and liabilities and are one way to measure the Regional Office of Education #30's financial health or position.

Over time, increases or decreases in the net assets are an indicator of whether financial position is improving or deteriorating, respectively.

To assess the Regional Office of Education #30's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

In the government-wide financial statements, the Regional Office of Education #30's activities are divided into two categories:

Governmental activities: Most of the Regional Office of Education #30's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. Local school districts, federal and state grants and State aid finance most of these activities.

Business-type activities: The Regional Office of Education #30 charges fees to help cover the costs of certain services and workshops it provides.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

**REPORTING THE REGIONAL OFFICE OF EDUCATION #30 AS A WHOLE
(continued)**

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office of Education #30's funds, focusing on its most significant or "major" funds – not the Regional Office of Education #30 as a whole. Funds are accounting devices the Regional Office of Education #30 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by the State law. The Regional Office of Education #30 establishes other funds to control and manage money for particular purposes.

The Regional Office of Education #30 has three kinds of funds:

Governmental funds account for most of the Regional Office of Education #30's basic services. These focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Regional Office of Education #30's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation between the government-wide statements and the governmental fund statements follows each of the related governmental fund statements. The Regional Office of Education #30's governmental funds include: the General Fund and the Special Revenue Funds. The governmental fund's required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

Proprietary funds account for services for which the Regional Office of Education charges fees under a cost-reimbursement method. The proprietary fund's required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.

Fiduciary funds account for assets that belong to others over which the Regional Office of Education #30 is the trustee, or fiduciary. The Regional Office of Education #30 is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The Regional Office of Education #30 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The difference between the

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Regional Office of Education #30's assets and liabilities is its net assets. As noted earlier, net assets may serve over time as a useful indicator of financial position. The Jackson and Perry Counties Regional Office of Education #30 net assets at the end of fiscal year 2007 totaled \$557,638. This compared to \$511,911 at the end of fiscal year 2006.

This section will explain the differences between the current and prior year's assets, liabilities, and changes in net assets. The Regional Office of Education #30's financial activities include both governmental and business-type activities. The analysis that follows provides a summary of the Regional Office of Education's net assets at June 30, 2007 and June 30, 2006 for the governmental and business-type activities.

CONDENSED STATEMENT OF NET ASSETS

GOVERNMENTAL ACTIVITIES

	2007	2006	Increase / (Decrease)
Current Assets	\$ 423,178	\$ 387,108	36,070
Capital assets, being depreciated, net	95,519	95,245	274
Total Assets	518,697	482,353	36,344
Current Liabilities	82,673	84,546	(1,873)
Net Assets:			
Invested in capital assets	95,519	95,245	274
Unrestricted	260,314	233,437	26,877
Restricted for teacher professional development	80,191	69,125	11,066
Total Net Assets	<u>\$ 436,024</u>	<u>\$ 397,807</u>	38,217

The Regional Office of Education #30's governmental assets exceeded governmental liabilities (net assets) by \$436,024 at the close of the fiscal year. Cash and cash equivalents made up the majority of assets. The Regional Office of Education #30 uses its governmental net assets to perform general operations and to provide professional services to school districts in the region and surrounding areas. The increase in current assets is due to an overall increase in funding and a decrease in the rate of employee benefits. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

BUSINESS-TYPE ACTIVITIES

	2007	2006	Increase / (Decrease)
Current Assets	\$ 126,340	\$ 113,197	13,143
Capital assets, being depreciated, net	227	907	(680)
Total Assets	126,567	114,104	12,463
Current Liabilities	4,953	-	4,953
Net Assets:			
Invested in capital assets	227	907	(680)
Unrestricted	121,387	113,197	8,190
Total Net Assets	<u>\$ 121,614</u>	<u>\$ 114,104</u>	7,510

The Regional Office of Education #30 uses its business-type net assets to provide workshop and training services to school districts in Jackson and Perry Counties and surrounding areas. The increase in current total net assets is due to more workshops being held in fiscal year 2007 as compared to fiscal year 2006. Also, Reading is Fundamental expenses, taken from the proprietary fund in FY06, were expended through the School Service Fund in FY07 resulting in an increase in the business-type net assets.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES

	<u>2007</u>	<u>2006</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 518,788	\$ 501,450	17,338
General Revenues:			
Local sources	68,674	63,377	5,297
State sources	219,455	309,955	(90,500)
On-behalf payments	359,243	339,228	20,015
Transfer (in)	126		126
Investment earnings	20,173	16,742	3,431
Loss on asset disposals	(734)		(734)
Total Revenues	<u>1,185,725</u>	<u>1,230,752</u>	<u>(45,027)</u>
Expenses:			
Instructional Services			
Salaries and benefits	469,927	480,099	(10,172)
Purchased services	163,871	259,505	(95,634)
Supplies and materials	58,359	48,540	9,819
Other objects	270	16	254
Payments to other governments	81,382	95,212	(13,830)
Depreciation	14,456	15,120	(664)
Administrative Expense:			
On-Behalf payments - State & Local	359,243	339,228	20,015
Total Expenses	<u>1,147,508</u>	<u>1,237,720</u>	<u>(90,212)</u>
Change in Net Assets	38,217	(6,968)	45,185
Net Assets - Beginning	<u>397,807</u>	<u>404,775</u>	<u>(6,968)</u>
Net Assets - Ending	<u>\$ 436,024</u>	<u>\$ 397,807</u>	<u>38,217</u>

Revenues from governmental activities were \$1,185,725 and expenses were \$1,147,508. The Regional Office of Education #30 total revenues increased primarily due to an overall increase in established grant funds and additional grants. Title I (RESPRO) grant allocation to serve local schools in need of improvement increased as well.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

STATEMENT OF ACTIVITIES
BUSINESS-TYPE ACTIVITIES

	<u>2007</u>	<u>2006</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 53,059	\$ 29,345	23,714
General Revenues:			-
Investment earnings	2,316	1,251	1,065
Total Revenues	<u>55,375</u>	<u>30,596</u>	24,779
Expenses:			
Salaries and benefits	7,308	4,575	2,733
Purchased services	33,032	23,566	9,466
Supplies and materials	5,806	5,657	149
Other objects	913		913
Depreciation	680	680	-
Total Expenses	<u>47,739</u>	<u>34,478</u>	13,261
Capital Contributions			
Transfers (out)	(126)		(126)
Change in Net Assets	7,510	(3,882)	11,392
Net Assets - Beginning	<u>114,104</u>	<u>117,986</u>	(3,882)
Net Assets - Ending	<u>\$ 121,614</u>	<u>\$ 114,104</u>	7,510

Revenues from business-type activities were \$55,375 and expenses were \$47,739. The Regional Office of Education #30's business-type activities include workshops that involve charges for service. Expenses include purchases of goods and supplies to support these activities. The Regional Office of Education #30 offered more workshops in FY07 and experienced greater attendance as compared to FY06 resulting in an increase in ending net assets. The increase in salaries and benefits was due to additional FTE professional development staff.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As previously noted, the Regional Office of Education #30 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Regional Office of Education #30's governmental funds reported combined fund balances of \$340,505, an increase of \$37,943 over last year's ending fund balance of \$302,562. The primary reason for the increase in combined fund balances in fiscal year 2007 was due to the increase in grant funding and the number of certificate applications and registrations that were processed in the Institute Fund.

Governmental Fund Highlights

- There was an increase in dollars received from several grant funds including TAOEP and ROE Operations Fund and certain other grants when compared to fiscal year 2006.
- The ROE received new funding as subcontractor for the Preschool Monitoring Program.
- The dollar return for interest slightly increased due to increase in interest rates and timing of distributions.
- IMRF rates decreased from .2374% to .2028% for employee benefits
- The number of certificate registrations increased for FY07

Proprietary Fund Highlights:

- The proprietary fund experienced an increase in net assets due to an increase number of workshops offered and an increase in attendance.
- The proprietary fund sponsored the Reading Is Fundamental (RIF) Program as a component of professional development for literacy in FY06. In FY07 the RIF Program was sponsored by the School Service Fund thereby decreasing expenditures in the business-type activity and impacting net assets.

BUDGETARY HIGHLIGHTS

The Regional Office of Education #30 annually adopts a budget on a basis consistent with U.S. generally accepted accounting principles; however, the annual budget is not required to be legally adopted. The Illinois State Board of Education reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the Illinois State Board of Education for final approval. The budget may be amended during the year utilizing procedures prescribed by the Illinois State Board of Education. A schedule showing the original and final budget amounts compared to the Regional Office of Education #30's actual financial activity is included in the supplementary information section of this report.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

CAPITAL ASSETS

Capital Assets of the Regional Office of Education #30 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #30 maintains an inventory of capital assets, which have been accumulated over time. The increase in capital assets for fiscal year 2007 was \$274 and came as a result of offsetting additions with depreciation expense for the year. The Regional Office of Education #30's ending net capital asset balance for fiscal year 2007 is \$95,519 for governmental activities, and \$227 for business-type activities, which is the total original cost of capital assets less accumulated depreciation.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Regional Office of Education #30 was aware of several existing circumstances that could significantly affect its financial health in the future:

- The State of Illinois Foundation level used in the calculation of amount of state aid granted for each student should increase to \$5,734.
- Increases or decreases in grant and entitlement funding from the Illinois State Board of Education to deliver regional services will shape the Regional Office of Education's overall finances and operations.
- The timing of distributive funds will impact interest earned.
- Mandatory fingerprinting is affecting the School Service Fund. Costs for Criminal Background/Fingerprinting checks are being prorated to the districts.
- Increased travel and utility costs will impact expenditures in all funds
- IMRF and TRS rates will affect expenditures.
- Variations in staffing patterns will influence employee salaries and benefits.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Regional Office of Education #30's citizens, taxpayers, customers, and creditors with a general overview of the finances and to demonstrate the accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent of the Regional Office of Education #30 at the Jackson County Courthouse, Murphysboro, Illinois 62966.

BASIC FINANCIAL STATEMENTS

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 374,568	\$ 126,340	\$ 500,908
Due from other governments			
Federal	48,610	-	48,610
Total Current Assets	423,178	126,340	549,518
Noncurrent Assets:			
Capital assets, being depreciated, net	95,519	227	95,746
Total Assets	518,697	126,567	645,264
Liabilities			
Current Liabilities:			
Accounts payable	51,968	4,953	56,921
Due to other governments			
Local	30,626	-	30,626
Deferred revenue	79	-	79
Total Current Liabilities	82,673	4,953	87,626
Net Assets			
Invested in capital assets	95,519	227	95,746
Restricted for teacher professional development	80,191	-	80,191
Unrestricted	260,314	121,387	381,701
Total Net Assets	\$ 436,024	\$ 121,614	\$ 557,638

The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental Activities:						
Instructional Services						
Current:						
Salaries and benefits	\$ 469,927	\$ -	\$ 354,211	\$ (115,716)	\$ -	\$ (115,716)
Purchased services	163,871	-	52,627	(111,244)	-	(111,244)
Supplies and materials	58,359	-	14,870	(43,489)	-	(43,489)
Capital outlay	-	-	15,464	15,464	-	15,464
Other objects	270	-	-	(270)	-	(270)
Payments to other governments	81,382	-	81,616	234	-	234
Depreciation	14,456	-	-	(14,456)	-	(14,456)
Administrative:						
On-behalf payments - State	220,552	-	-	(220,552)	-	(220,552)
On-behalf payments - Local	138,691	-	-	(138,691)	-	(138,691)
Total Governmental Activities	<u>1,147,508</u>	<u>-</u>	<u>518,788</u>	<u>(628,720)</u>	<u>-</u>	<u>(628,720)</u>
Business-Type Activities:						
Registration Fees	<u>47,739</u>	<u>53,059</u>	<u>-</u>	<u>-</u>	<u>5,320</u>	<u>5,320</u>
Total Business-Type Activities	<u>47,739</u>	<u>53,059</u>	<u>-</u>	<u>-</u>	<u>5,320</u>	<u>5,320</u>
Total Primary Government	<u>\$ 1,195,247</u>	<u>\$ 53,059</u>	<u>\$ 518,788</u>	<u>(628,720)</u>	<u>5,320</u>	<u>(623,400)</u>
General Revenues:						
Local sources				68,674	-	68,674
State sources				219,455	-	219,455
On-behalf payments				359,243	-	359,243
Transfers				126	(126)	-
Investment earnings				20,173	2,316	22,489
Loss on asset disposals				(734)	-	(734)
Total General Revenues, Special and Extraordinary Items, and Transfers				<u>666,937</u>	<u>2,190</u>	<u>669,127</u>
Change in Net Assets				38,217	7,510	45,727
Net Assets - Beginning				<u>397,807</u>	<u>114,104</u>	<u>511,911</u>
Net Assets - Ending				<u>\$ 436,024</u>	<u>\$ 121,614</u>	<u>\$ 557,638</u>

The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	General Fund	Education Fund	Institute Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 17,778	\$ 271,373	\$ 80,191	\$ 5,226	\$ -	\$ 374,568
Due from other funds	-	38,366	-	-	(38,366)	-
Due from other governments						
Federal	-	48,610	-	-	-	48,610
Total Assets	<u>\$ 17,778</u>	<u>\$ 358,349</u>	<u>\$ 80,191</u>	<u>\$ 5,226</u>	<u>\$ (38,366)</u>	<u>\$ 423,178</u>
Liabilities						
Accounts payable	\$ 4,638	\$ 47,330	\$ -	\$ -	\$ -	\$ 51,968
Due to other funds	-	38,366	-	-	(38,366)	-
Due to other governments						
Local	-	30,626	-	-	-	30,626
Deferred revenue	-	79	-	-	-	79
Total Liabilities	<u>4,638</u>	<u>116,401</u>	<u>-</u>	<u>-</u>	<u>(38,366)</u>	<u>82,673</u>
Fund Balances						
Unreserved, reported in:						
General fund	13,140	-	-	-	-	13,140
Special revenue funds	-	241,948	80,191	5,226	-	327,365
Total Fund Balances	<u>13,140</u>	<u>241,948</u>	<u>80,191</u>	<u>5,226</u>	<u>-</u>	<u>340,505</u>
Total Liabilities and Fund Balances	<u>\$ 17,778</u>	<u>\$ 358,349</u>	<u>\$ 80,191</u>	<u>\$ 5,226</u>	<u>\$ (38,366)</u>	<u>\$ 423,178</u>

The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2007

Total Fund Balances—Governmental Funds	\$ 340,505
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Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	<u>95,519</u>
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Net Assets of Governmental Activities	<u><u>\$ 436,024</u></u>
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The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Education Fund	Institute Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
Revenues:						
Local sources	\$ 14,207	\$ 22,080	\$ 22,047	\$ 10,340	\$ -	\$ 68,674
Local sources - on behalf payments	138,691	-	-	-	-	138,691
State sources	70,514	499,602	-	2,360	-	572,476
State sources - on behalf payments	220,552	-	-	-	-	220,552
Federal sources	8,655	157,112	-	-	-	165,767
Total Revenues	<u>452,619</u>	<u>678,794</u>	<u>22,047</u>	<u>12,700</u>	<u>-</u>	<u>1,166,160</u>
Expenditures:						
Current:						
Instructional Services						
Salaries and benefits	60,874	408,659	-	394	-	469,927
Purchased services	29,648	112,154	12,754	9,315	-	163,871
Supplies and materials	14,523	41,616	32	2,188	-	58,359
Capital outlay	3,831	11,633	-	-	-	15,464
Other objects	-	-	135	135	-	270
Payments to other governments	-	81,382	-	-	-	81,382
On-behalf payments	359,243	-	-	-	-	359,243
Total Expenditures	<u>468,119</u>	<u>655,444</u>	<u>12,921</u>	<u>12,032</u>	<u>-</u>	<u>1,148,516</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,500)</u>	<u>23,350</u>	<u>9,126</u>	<u>668</u>	<u>-</u>	<u>17,644</u>
Other Financing Sources (Uses):						
Transfers in	1,500	16,222	-	-	(17,596)	126
Transfers out	-	(17,596)	-	-	17,596	-
Interest	13,139	4,985	1,940	109	-	20,173
Total Other Financing Sources (Uses)	<u>14,639</u>	<u>3,611</u>	<u>1,940</u>	<u>109</u>	<u>-</u>	<u>20,299</u>
Net Change in Fund Balances	(861)	26,961	11,066	777		37,943
Fund Balances - Beginning	14,001	214,987	69,125	4,449		302,562
Fund Balances - Ending	<u>\$ 13,140</u>	<u>\$ 241,948</u>	<u>\$ 80,191</u>	<u>\$ 5,226</u>	<u>\$ -</u>	<u>\$ 340,505</u>

The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

Net change in fund balances—total governmental funds	\$ 37,943
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 15,464	
Depreciation expense	(14,456)	1,008

Governmental funds report capital outlays as expenditures at the time of purchase therefore, when an asset is disposed of in a nonash transation it is not reflected in the governmental activites financial statements at the time of disposal. However, in the Statement of Activities the difference between the asset's original cost and its related accumulated depreciation is reported as a loss on the disposal of the capital asset.

Change in net assets of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 0 10px;">\$ 38,217</div>
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The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007

	Business-Type Activities- Enterprise Fund	
	Local Workshops	Total
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 126,340	\$ 126,340
Noncurrent Assets:		
Capital assets, being depreciated, net	227	227
Total Current Assets	<u>126,567</u>	<u>126,567</u>
Liabilities:		
Current Liabilities:		
Accounts payable	4,953	4,953
Total Current Liabilities	<u>4,953</u>	<u>4,953</u>
Net Assets		
Invested in capital assets	227	227
Unrestricted	<u>121,387</u>	<u>121,387</u>
Total Net Assets	<u>\$ 121,614</u>	<u>\$ 121,614</u>

The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities— Enterprise Fund	
	Local Workshops	Total
Operating Revenues:		
Local sources	\$ 53,059	\$ 53,059
Total Operating Revenues	<u>53,059</u>	<u>53,059</u>
Operating expenses:		
Salaries and benefits	7,308	7,308
Purchased services	33,032	33,032
Supplies and materials	5,806	5,806
Other objects	913	913
Depreciation	680	680
Total Operating Expenses	<u>47,739</u>	<u>47,739</u>
Operating Income (Loss)	<u>5,320</u>	<u>5,320</u>
Nonoperating Revenues:		
Interest income	<u>2,316</u>	<u>2,316</u>
Total Nonoperating Revenue	<u>2,316</u>	<u>2,316</u>
Capital contributions		
Transfers (out)	<u>(126)</u>	<u>(126)</u>
Change in Net Assets	7,510	7,510
Total Net Assets - Beginning	<u>114,104</u>	<u>114,104</u>
Total Net Assets - Ending	<u>\$ 121,614</u>	<u>\$ 121,614</u>

The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities- Enterprise Fund	
	Local	
	Workshops	Total
Cash Flows From Operating Activities:		
Workshop receipts	\$ 53,059	\$ 53,059
Payments to providers of services	(34,798)	(34,798)
Payments to employees	(7,308)	(7,308)
Net Cash Provided by (Used for) Operating Activities	<u>10,953</u>	<u>10,953</u>
Cash Flows from Non-Capital Financing Activities:		
Cash transfers to other funds		
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(126)</u>	<u>(126)</u>
Cash Flows from Investing Activities:		
Interest received on investments	<u>2,316</u>	<u>2,316</u>
Net Cash Provided by (Used for) Investing Activities	<u>2,316</u>	<u>2,316</u>
Net Increase in Cash and Cash Equivalents	13,143	13,143
Cash and Cash Equivalents - Beginning	<u>113,197</u>	<u>113,197</u>
Cash and Cash Equivalents - Ending	<u>\$ 126,340</u>	<u>\$ 126,340</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ 5,320	\$ 5,320
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	680	680
Change in assets and liabilities:		
Increase in accounts payable	4,953	4,953
Net Cash Provided by (Used for) Operating Activities	<u>\$ 10,953</u>	<u>\$ 10,953</u>

The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2007

	Agency Funds
Assets	
Cash and cash equivalents	\$ 7,509
Due from other governments	<u>1,522,151</u>
Total Assets	<u>\$ 1,529,660</u>
Liabilities	
Due to other governments	<u>\$ 1,529,660</u>
Total Liabilities	<u>\$ 1,529,660</u>

The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jackson and Perry Counties Regional Office of Education #30 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2007, the Jackson and Perry Counties Regional Office of Education #30 implemented Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*. The Jackson and Perry Counties Regional Office of Education #30 implemented this standard during the current year, however; it has no impact on the financial statements.

GASB Statement No. 34 established a financial reporting model for State and local governments that included the addition of Management's Discussion and Analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; examine school treasurer's books, accounts, and vouchers; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the regional superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Jackson and Perry Counties Regional Office of Education #30's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurer's bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts under his control are properly bonded.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Jackson and Perry Counties Regional Office of Education #30, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2007, the Jackson and Perry Counties Regional Office of Education #30 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Jackson and Perry Counties Regional Office of Education #30. Such activities are reported as a single major special revenue fund (Education Fund).

SCOPE OF REPORTING ENTITY

The Jackson and Perry Counties Regional Office of Education #30 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Jackson and Perry Counties Regional Office of Education #30 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Jackson and Perry Counties Regional Office of Education #30, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Jackson and Perry Counties Regional Office of Education #30 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Jackson and Perry Counties Regional Office of Education #30 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Jackson and Perry Counties Regional Office of Education #30 is not aware of any entity, which would exercise such oversight as to result in the Jackson and Perry Counties Regional Office of Education #30 being considered a component unit of the entity.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Jackson and Perry Counties Regional Office of Education #30's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Jackson and Perry Counties Regional Office of Education #30 has one business-type activity that relies on fees and charges for support.

The Jackson and Perry Counties Regional Office of Education #30's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Jackson and Perry Counties Regional Office of Education #30 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Jackson and Perry Counties Regional Office of Education #30's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Jackson and Perry Counties Regional Office of Education #30; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board.

Under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Regional Office of Education applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

FUND ACCOUNTING

The Jackson and Perry Counties Regional Office of Education #30 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Jackson and Perry Counties Regional Office of Education #30 uses governmental, proprietary, and fiduciary funds.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions typically are reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Jackson and Perry Counties Regional Office of Education #30 has presented all major funds that met the above qualifications.

The Jackson and Perry Counties Regional Office of Education #30 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of Jackson and Perry Counties Regional Office of Education #30. It is used to account for the expenditures, which benefit all school districts in the region except those required to be accounted for in other funds. General funds include the following:

School Service – This fund accounts for various services provided to Jackson and Perry Counties Regional Office of Education #30's various programs and school districts within the region.

ROE/ISC Operations – This fund accounts for the professional development activities that took over the educational service centers.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Governmental Funds (Continued)

Major Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are legally restricted to expenditures for specified purposes. Major special revenue funds include the following:

Institute - This fund accounts for teacher certificate registration, issuance and evaluation fees for processing certificates and expenses to promote the professional growth of teachers and school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

Education Fund - This fund is used to account for various grant and education enhancement programs as follows:

Special Programs –This program provides for miscellaneous expenses and programs that benefit the school districts and/or the Regional Office.

Kindergarten Standards Training - This program accounts for a Kindergarten Standards Training session for local kindergarten teachers.

Green Schools Demonstration Project – This is an Illinois Environmental Protection Agency program that establishes the Jackson and Perry Counties Regional Office of Education #30 as a provisional environmental coordinator which will provide local schools with information and assistance on cost-effective strategies for improving environmental and resource use efficiency.

Title I - School Improvement and Accountability – This fund supports the improvement of basic programs operated by providing professional development for data analysis, school improvement plan/development, Standards-Aligned curriculum/instruction, and classroom assessment to System of Support Status schools on Academic Early Warning and Watch.

Truants Alternative/Optional Education – This program strives to keep truant kids in school.

McKinney Education for Homeless Children– This program aids the education of homeless children.

Technology - Learning Technology Centers – This program provides special grant funds for Regional Offices of Education #2, #21, and #30 for technology services.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Standards Aligned Classroom – This program provides standards aligned classroom initiatives coaching and support teams.

Regional Safe Schools - This program provides funding for an alternative school program for disruptive youth in grades 6-9 whom have been removed from the regular school setting due to continuous disruptions in the classroom.

Program Accountability Liaison (PAL's) – This program provides a monitor for all Preschool programs. The intent is for the monitor to provide early detection of any problems with the program design or implementation and offer information for technical assistance.

Mathematics and Science Partnership – This program provides funding for delivering professional development and assistance to enhance mathematics and science instruction and practices.

The Jackson and Perry Counties Regional Office of Education #30 reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are legally restricted to expenditures for specified purposes. Nonmajor special revenue funds include the following:

Bus Driver Training - This fund accounts for State and local receipts and expenses designed for initial and refresher courses of instruction for school bus drivers.

Supervisory - This fund accounts for State receipts provided to the Regional Office of Education to pay expenses as approved by the Regional Superintendent.

General Education Development - This fund accounts for the receipts and expenses related to administering the High School Equivalency Testing Program.

Proprietary Funds

Proprietary funds are those in which revenues and expenses related to services provided to an organization inside the Jackson and Perry Counties Regional Office of Education #30 on a cost reimbursement basis are reported.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Concluded)

The Jackson and Perry Counties Regional Office of Education #30 reports the following major proprietary funds:

Local Workshops – The local workshops fund is used to account for the workshop registration fees and expenses related to workshops sponsored by the Jackson and Perry Counties Regional Office of Education #30.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Jackson and Perry Counties Regional Office of Education #30 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

Distributive Fund – This fund distributes monies received from the State to the school districts and other entities.

Education for Employment – This is the Jackson and Perry Counties Regional Vocational Delivery System Coop which provides funding for technical and vocational classes within high schools.

Interest on Distributive Fund – The Regional Office of Education #30 has agreements with all districts in the region whereby the Regional Office of Education #30 is allowed to keep the interest for expenditures benefiting all districts.

NET ASSETS

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets are displayed in three components:

Invested in capital assets - Consists of capital assets, net of accumulated depreciation.

Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. The Jackson and Perry Counties Regional Office of Education #30 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

INVENTORY

Inventory is not recorded. The cost is recorded as an expenditure at the time individual inventory items are purchased.

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Office Equipment and Furniture	5-10 years
Computer Equipment	3 - 5 years
Other Equipment	5-20 years

COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore; no liability is accrued.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

BUDGET INFORMATION

The Jackson and Perry Counties Regional Office of Education #30 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however none of the annual budgets have been or are required to be legally adopted. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budget to actual statements are prepared for the General Fund ROE/ISC Operations. Budget to actual statements are also prepared for the following Education Fund accounts: Truants Alternative/Optional Education, Technology - Learning Technology Centers, and Regional Safe Schools.

NOTE 2 - CASH

The Jackson and Perry Counties Regional Office of Education #30 does not have a formal investment policy. The Jackson and Perry Counties Regional Office of Education #30 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

Deposits

At June 30, 2007, the carrying amount of the Jackson and Perry Counties Regional Office of Education #30's government-wide and Agency Fund deposits were \$500,908 and \$7,509, respectively, and the bank balance was \$523,894 and \$12,295 respectively. Of the total bank balances as of June 30, 2007, \$100,105 was secured by federal depository insurance and \$436,084 was collateralized by securities pledged by the Jackson and Perry Counties Regional Office of Education #30's financial institution on behalf of the Regional Office.

NOTE 3 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Jackson and Perry Counties Regional Office of Education #30 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2007 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.60 percent during the year ended June 30, 2007, and the member THIS Fund health insurance contribution was 0.80 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Jackson and Perry Counties Regional Office of Education #30 TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Jackson and Perry Counties Regional Office of Education #30. For the year ended June 30, 2007, State of Illinois contributions were based on 9.78 percent of creditable earnings, and the Jackson and Perry Counties Regional Office of Education #30 recognized revenue and expenditures of \$26,395 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2006, and June 30, 2005, the State of Illinois contribution rates as percentages of creditable earnings were 7.06 percent (\$18,443) and 11.76 percent (\$27,091), respectively.

The state contributions to TRS for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined. The state contributions for the year ended June 30, 2005 were based on an actual formula.

The Jackson and Perry Counties Regional Office of Education #30 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute .58 percent of creditable earnings for the 2.2 formula change. This rate is specified by the statute. Contributions for the year ended June 30, 2007 were \$1,565. Contributions for the years ending June 30, 2006, and June 30, 2005, were \$1,515 and \$1,336, respectively.
- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Jackson and Perry Counties Regional Office of Education #30, there is a statutory requirement for the Jackson and Perry Counties Regional Office of Education #30 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in fiscal year ended June 30, 2006, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2007, the employer pension contribution was 9.78 percent of salaries paid from those funds. For the year ended June 30, 2006, the employer contribution was 7.06 percent of salaries paid from those funds. For the year ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2007, salaries totaling \$68,912 were paid from federal and trust funds that required employer contributions of \$6,740. For the years ended June 30, 2006, and June 30, 2005, required Jackson and Perry Counties Regional Office of Education #30 contributions were \$7,327 and \$10,718, respectively.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

- **Early Retirement Option.** The Jackson and Perry Counties Regional Office of Education #30 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO). Under the ERO program that expired June 30, 2005 and the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2007, the Jackson and Perry Counties Regional Office of Education #30 paid no TRS for employer contributions for under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2006 and June 30, 2005, the Jackson and Perry Counties Regional Office of Education #30 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS. If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2007, the Regional Office of Education #30 paid no TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2006, the Regional Office of Education #30 paid no employer contributions due on salary increases in excess of 6 percent.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.60 percent of salary during the year ended June 30, 2007). For the year ended June 30, 2007, the Regional Office of Education #30 paid no TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2006, the Regional Office of Education #30 paid no employer contributions granted for sick leave days.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for year ended June 30, 2006. The report for the year ended June 30, 2007, is expected to be available in late 2007. The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

NOTE 4 - INTERFUND ACTIVITY

Due to / from other funds

Interfund due to / from other fund balances at June 30, 2007 consist of the following individual due to / from other funds in the governmental fund balance sheet. These amounts represent temporary loans for over expenditures in the various programs. These balances were eliminated in the government-wide Statement of Net Assets.

<u>From</u>	<u>To</u>	<u>Amount</u>
<u>Education Fund</u>	<u>Education Fund</u>	
Title I - School Improvement and Accountability	Regional Safe Schools	<u>\$ 38,366</u>

Transfers

Interfund transfer in / out of other fund balances at June 30, 2007 consist of the following individual transfers in / out of other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	<u>In</u>	<u>Out</u>
<u>General Fund</u>		
ROE/ISC Operation	\$ 1,500	\$ -
<u>Education Fund</u>		
Standards Aligned Classroom	112	-
Kindergarten Standards Training	14	-
Regional Safe School	16,096	-
Truants Alternative	-	17,596
<u>Proprietary Fund</u>		
Local Workshop	-	126
Total Transfers In / Out	<u>\$ 17,722</u>	<u>\$ 17,722</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 5 - CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Jackson and Perry Counties Regional Office of Education #30 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental activities statements. Purchases of business-type capital assets are capitalized when purchased. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2007 of \$14,456 and \$680 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2007:

	Balance July 1, 2006	Additions	Deletions	Reclassification	Balance June 30, 2007
Governmental Funds:					
<u>General Fund</u>					
ROE/ISC Operations	\$ 128,766	\$ 3,831	\$ 5,500	\$ -	\$ 127,097
<u>Education Fund</u>					
Technology - Learning					
Technology Centers	107,412	6,423	-	(5,500)	108,335
Technology - Enhancing					
Education - Competitive	2,848	-	-	-	2,848
Title I - School Improvement					
& Accountability	1,449	-	-	-	1,449
Title I - Reading First Part B SEA	808	-	-	-	808
Regional Safe School	119,751	3,831	-	5,500	129,082
Special Programs	-	1,379	-	-	1,379
McKinney Education for Homeless					
Children	2,752	-	-	-	2,752
<u>Nonmajor Fund</u>					
Bus Drivers Training	9,924	-	-	-	9,924
Governmental Funds					
Total Capital Assets	373,710	15,464	5,500	-	383,674
Less: Accumulated Depreciation	278,465	14,456	4,766	-	288,155
Governmental Funds					
Investment in Capital Assets, Net	<u>\$ 95,245</u>	<u>\$ 1,008</u>	<u>\$ 734</u>	<u>\$ -</u>	<u>\$ 95,519</u>
Business-type Activities:					
Local Workshop	\$ 2,040	\$ -	\$ -	\$ -	\$ 2,040
Business-type Activities					
Total Capital Assets	2,040	-	-	-	2,040
Less: Accumulated Depreciation	1,133	680	-	-	1,813
Business-type Activities					
Investment in Capital Assets, Net	<u>\$ 907</u>	<u>\$ (680)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 6 - RISK MANAGEMENT

The Jackson and Perry Counties Regional Office of Education #30 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Jackson and Perry Counties Regional Office of Education #30 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 7 - ON BEHALF PAYMENTS

Jackson County provides the Jackson and Perry Counties Regional Office of Education #30 with staff and pays certain expenditures on behalf of the Jackson and Perry Counties Regional Office of Education #30. The expenditures paid on the Jackson and Perry Counties Regional Office of Education #30's behalf for the year ended June 30, 2007, were as follows:

Salaries and benefits	\$ 110,742
Purchased Services	19,229
Supplies and Materials	3,697
General Liability Insurance	<u>5,023</u>
Total	<u>\$ 138,691</u>

The State of Illinois paid the following salaries on behalf of the Jackson and Perry Counties Regional Office of Education #30:

Regional Superintendent Salary	\$ 84,737
Regional Superintendent Benefits	
(Includes State paid insurance)	20,989
Assistant Regional Superintendent Salary	76,263
Assistant Regional Superintendent Benefits	
(Includes State paid insurance)	12,168
TRS Pension Contributions	<u>26,395</u>
Total	<u>\$ 220,552</u>

Salary and benefit data for Regional Superintendents and Assistant Regional Superintendents was calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying governmental fund financial statements as local and State revenue and expenditures, respectively.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 9 - DUE TO/FROM OTHER GOVERNMENTS

The Jackson and Perry Counties Regional Office of Education #30's General Fund, Agency Fund and various grant programs have funds due to and due from various other governmental units which consist of the following:

Due from Other Governments:

Fiduciary Fund

Illinois State Board of Education	\$ 1,522,151
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Education Fund

Federal	<u>48,610</u>
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Total	<u>\$ 1,570,761</u>
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Due to Other Governments:

Fiduciary Fund

Local School Districts	\$ 1,529,660
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Education Fund

Local Governments	<u>30,626</u>
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Total	<u>\$ 1,560,286</u>
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SUPPLEMENTARY INFORMATION

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2007

	<u>School Service</u>	<u>ROE/ISC Operations</u>	<u>TOTALS</u>
Assets			
Cash and cash equivalents	\$ 12,741	\$ 5,037	\$ 17,778
Total Assets	<u>\$ 12,741</u>	<u>\$ 5,037</u>	<u>\$ 17,778</u>
Liabilities			
Accounts payable	\$ -	\$ 4,638	\$ 4,638
Total Liabilities	<u>-</u>	<u>4,638</u>	<u>4,638</u>
Fund Balances			
Unreserved	12,741	399	13,140
Total Fund Balances	<u>12,741</u>	<u>399</u>	<u>13,140</u>
Total Liabilities and Fund Balances	<u>\$ 12,741</u>	<u>\$ 5,037</u>	<u>\$ 17,778</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	School Service	ROE/ISC Operations	TOTALS
Revenues:			
Local sources	\$ 14,207	\$ -	\$ 14,207
Local sources - payments made on behalf of region	138,691	-	138,691
State sources	-	70,514	70,514
State sources - payments made on behalf of region	220,552	-	220,552
Federal sources	8,655	-	8,655
Total Revenues	<u>382,105</u>	<u>70,514</u>	<u>452,619</u>
Expenditures:			
Current:			
Salaries and benefits	-	60,874	60,874
Purchased services	24,481	5,167	29,648
Supplies and materials	12,710	1,813	14,523
Capital outlay	-	3,831	3,831
Payments made on behalf of region	359,243	-	359,243
Total Expenditures	<u>396,434</u>	<u>71,685</u>	<u>468,119</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,329)</u>	<u>(1,171)</u>	<u>(15,500)</u>
Other Financing Sources (Uses):			
Transfer in	-	1,500	1,500
Interest	13,069	70	13,139
Total Other Financing Sources (Uses)	<u>13,069</u>	<u>1,570</u>	<u>14,639</u>
Net Change in Fund Balances	(1,260)	399	(861)
Fund Balances - Beginning	<u>14,001</u>	<u>-</u>	<u>14,001</u>
Fund Balances - Ending	<u>\$ 12,741</u>	<u>\$ 399</u>	<u>\$ 13,140</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
BUDGETARY COMPARISON SCHEDULE
(For the Period July 1, 2006 to June 30, 2007)
GENERAL FUND ACCOUNTS
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State source	\$ 70,514	\$ 70,514	\$ 70,514
Total Revenues	<u>70,514</u>	<u>70,514</u>	<u>70,514</u>
Expenditures:			
Current:			
Salaries and benefits	62,500	62,500	60,874
Purchased services	5,000	5,000	5,167
Supplies and materials	1,014	1,014	1,813
Capital outlay	2,000	2,000	3,831
Total Expenditures	<u>70,514</u>	<u>70,514</u>	<u>71,685</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1,171)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	1,500
Interest	-	-	70
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,570</u>
Net Change in Fund Balances	-	-	399
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 399</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2007

	Special Programs	Kindergarten Standards Training	Green Schools Demonstration Project	Title I - School Improvement & Accountability	Truants Alternative/ Optional Education	McKinney Education For Homeless Children
Assets						
Cash and cash equivalents	\$ 6,867	\$ -	\$ -	\$ -	\$ 25,346	\$ 3,785
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	45,382	-	-
Total Assets	\$ 6,867	\$ -	\$ -	\$ 45,382	\$ 25,346	\$ 3,785
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 7,016	\$ -	\$ 3,726
Due to other funds	-	-	-	38,366	-	-
Due to other governments	-	-	-	-	25,346	-
Deferred revenue	-	-	-	-	-	59
Total Liabilities	-	-	-	45,382	25,346	3,785
Fund Balances						
Unreserved	6,867	-	-	-	-	-
Total Fund Balances	6,867	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 6,867	\$ -	\$ -	\$ 45,382	\$ 25,346	\$ 3,785

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2007

	Technology- Learning Technology Centers	Standards Aligned Classroom	Regional Safe Schools	Program Accountability Liaison	Mathematics and Science Partnership	Total
Assets						
Cash and cash equivalents	\$ 71,590	\$ 823	\$ 154,786	\$ 1,145	\$ 7,031	\$ 271,373
Due from other funds	-	-	38,366	-	-	38,366
Due from other governments	-	-	-	3,050	178	48,610
Total Assets	\$ 71,590	\$ 823	\$ 193,152	\$ 4,195	\$ 7,209	\$ 358,349
Liabilities						
Accounts payable	\$ 18,084	\$ 823	\$ 11,577	\$ 4,175	\$ 1,929	\$ 47,330
Due to other funds	-	-	-	-	-	38,366
Due to other governments	-	-	-	-	5,280	30,626
Deferred revenue	-	-	-	20	-	79
Total Liabilities	18,084	823	11,577	4,195	7,209	116,401
Fund Balances						
Unreserved	53,506	-	181,575	-	-	241,948
Total Fund Balances	53,506	-	181,575	-	-	241,948
Total Liabilities and Fund Balances	\$ 71,590	\$ 823	\$ 193,152	\$ 4,195	\$ 7,209	\$ 358,349

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	Special Programs	Kindergarten Standards Training	Green Schools Demonstration Project	Title I - School Improvement & Accountability	Truants Alternative/ Optional Education	McKinney Education for Homeless Children
Revenues:						
Local sources	\$ 11,916	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	1,800	5,365	-	142,862	-
Federal sources	-	-	-	104,653	-	25,585
Total Revenue	11,916	1,800	5,365	104,653	142,862	25,585
Expenditures:						
Current:						
Salaries and benefits	2,343	-	5,276	64,135	66,602	21,916
Purchased services	1,024	1,814	-	33,465	5,910	2,449
Supplies and materials	8,945	-	89	7,053	2,457	1,264
Capital outlay	1,379	-	-	-	-	-
Payments to other governments	-	-	-	-	50,396	-
Total Expenditures	13,691	1,814	5,365	104,653	125,365	25,629
Excess (Deficiency) of Revenues Over Expenditures	(1,775)	(14)	-	-	17,497	(44)
Other Financing Sources (Uses):						
Transfer in	-	14	-	-	-	-
Transfer out	-	-	-	-	(17,596)	-
Interest	191	-	-	-	99	44
Total Other Financing Sources (Uses)	191	14	-	-	(17,497)	44
Net Change in Fund Balances	(1,584)	-	-	-	-	-
Fund Balance - Beginning	8,451	-	-	-	-	-
Fund Balance - Ending	\$ 6,867	\$ -	\$ -	\$ -	\$ -	\$ -

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	Technology- Learning Technology Centers	Standards Aligned Classroom	Regional Safe Schools	Program Accountability Liaison	Mathematics and Science Partnership	Total
Revenues:						
Local sources	\$ 7,164	\$ -	\$ 3,000	\$ -	\$ -	\$ 22,080
State sources	148,680	-	177,445	23,450	-	499,602
Federal sources	-	6,000	-	-	20,874	157,112
Total Revenue	155,844	6,000	180,445	23,450	20,874	678,794
Expenditures:						
Current:						
Salaries and benefits	88,618	4,375	149,156	-	6,238	408,659
Purchased services	20,660	233	16,675	17,723	12,201	112,154
Supplies and materials	4,903	1,504	7,235	5,731	2,435	41,616
Capital outlay	6,423	-	3,831	-	-	11,633
Payments to other governments	30,986	-	-	-	-	81,382
Total Expenditures	151,590	6,112	176,897	23,454	20,874	655,444
Excess (Deficiency) of Revenues Over Expenditures	4,254	(112)	3,548	(4)	-	23,350
Other Financing Sources (Uses):						
Transfer in	-	112	16,096	-	-	16,222
Transfer out	-	-	-	-	-	(17,596)
Interest	996	-	3,651	4	-	4,985
Total Other Financing Sources (Uses)	996	112	19,747	4	-	3,611
Net Change in Fund Balances	5,250	-	23,295	-	-	26,961
Fund Balance - Beginning	48,256	-	158,280	-	-	214,987
Fund Balance - Ending	\$ 53,506	\$ -	\$ 181,575	\$ -	\$ -	\$ 241,948

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
BUDGETARY COMPARISON SCHEDULE
(For the Period July 1, 2006 to June 30, 2007)
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE / OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 125,291	\$ 125,291	\$ 142,862
Total Revenues	<u>125,291</u>	<u>125,291</u>	<u>142,862</u>
Expenditures:			
Current:			
Salaries and benefits	66,000	66,000	66,602
Purchased services	7,944	7,944	5,910
Supplies and materials	950	950	2,457
Payments to other governments	50,397	50,397	50,396
Total Expenditures	<u>125,291</u>	<u>125,291</u>	<u>125,365</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>17,497</u>
Other Financing Sources (Uses):			
Transfers out	-	-	(17,596)
Interest	-	-	99
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(17,497)</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
BUDGETARY COMPARISON SCHEDULE
(For the Period July 1, 2006 to June 30, 2007)
EDUCATION FUND ACCOUNTS
TECHNOLOGY - LEARNING TECHNOLOGY CENTERS
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local source	\$ -	\$ -	\$ 7,164
State source	148,680	148,680	148,680
Total Revenues	<u>148,680</u>	<u>148,680</u>	<u>155,844</u>
Expenditures:			
Current:			
Salaries and benefits	87,757	87,757	88,618
Purchased services	16,571	16,571	20,660
Supplies and materials	6,230	6,230	4,903
Capital outlay	6,836	6,836	6,423
Payments to other governments	31,286	31,286	30,986
Total Expenditures	<u>148,680</u>	<u>148,680</u>	<u>151,590</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>4,254</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>996</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>996</u>
Net Change in Fund Balances	-	-	5,250
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>48,256</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 53,506</u></u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
BUDGETARY COMPARISON SCHEDULE
(For the Period July 1, 2006 to June 30, 2007)
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ -	\$ -	\$ 3,000
State sources	114,216	114,216	177,445
Total Revenues	<u>114,216</u>	<u>114,216</u>	<u>180,445</u>
Expenditures:			
Current:			
Salaries and benefits	104,870	104,870	149,156
Purchased services	7,205	7,205	16,675
Supplies and materials	1,141	1,141	7,235
Capital outlay	1,000	1,000	3,831
Total Expenditures	<u>114,216</u>	<u>114,216</u>	<u>176,897</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>3,548</u>
Other Financing Sources (Uses):			
Transfers in	-	-	16,096
Interest	-	-	3,651
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>19,747</u>
Net Change in Fund Balances	-	-	23,295
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>158,280</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,575</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2007

	SPECIAL REVENUE FUNDS			Total Nonmajor Governmental Funds
	Bus Driver Training	Supervisory	General Education Development	
Assets				
Cash and cash equivalents	\$ 129	\$ 2,196	\$ 2,901	\$ 5,226
Total Assets	<u>\$ 129</u>	<u>\$ 2,196</u>	<u>\$ 2,901</u>	<u>\$ 5,226</u>
Fund Balances:				
Unreserved	\$ 129	\$ 2,196	\$ 2,901	\$ 5,226
Total Fund Balances	<u>\$ 129</u>	<u>\$ 2,196</u>	<u>\$ 2,901</u>	<u>\$ 5,226</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	SPECIAL REVENUE FUNDS			Total Nonmajor Governmental Funds
	Bus Driver Training	Supervisory	General Education Development	
Revenue:				
Local sources	\$ 1,430	\$ -	\$ 8,910	\$ 10,340
State sources	360	2,000	-	2,360
Total Revenues	<u>1,790</u>	<u>2,000</u>	<u>8,910</u>	<u>12,700</u>
Expenditures:				
Current:				
Salaries and benefits	-	-	394	394
Purchased services	1,889	2,001	5,425	9,315
Supplies and materials	303	-	1,885	2,188
Other objects	-	-	135	135
Total Expenditures	<u>2,192</u>	<u>2,001</u>	<u>7,839</u>	<u>12,032</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(402)</u>	<u>(1)</u>	<u>1,071</u>	<u>668</u>
Other Financing Sources:				
Interest	11	55	43	109
Total Other Financing Sources	<u>11</u>	<u>55</u>	<u>43</u>	<u>109</u>
Net Change in Fund Balances	(391)	54	1,114	777
Fund Balance - Beginning	<u>520</u>	<u>2,142</u>	<u>1,787</u>	<u>4,449</u>
Fund Balance - Ending	<u>\$ 129</u>	<u>\$ 2,196</u>	<u>\$ 2,901</u>	<u>\$ 5,226</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2007

	<u>Distributive Fund</u>	<u>Education for Employment</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 847	\$ 6,662	\$ 7,509
Due from other governments	<u>1,522,151</u>	<u>-</u>	<u>1,522,151</u>
Total Assets	<u><u>\$ 1,522,998</u></u>	<u><u>\$ 6,662</u></u>	<u><u>\$ 1,529,660</u></u>
Liabilities			
Due to other governments	<u>\$ 1,522,998</u>	<u>\$ 6,662</u>	<u>\$ 1,529,660</u>
Total Liabilities	<u><u>\$ 1,522,998</u></u>	<u><u>\$ 6,662</u></u>	<u><u>\$ 1,529,660</u></u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	Balance 7/1/06	Additions	Deductions	Balance 6/30/07
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ 952	\$ 57,279,190	\$ 57,279,295	\$ 847
Due from other governments	1,585,039	1,522,151	1,585,039	1,522,151
Total Assets	<u>\$ 1,585,991</u>	<u>\$ 58,801,341</u>	<u>\$ 58,864,334</u>	<u>\$ 1,522,998</u>
Liabilities				
Due to other governments	\$ 1,585,991	\$ 58,801,341	\$ 58,864,334	\$ 1,522,998
Total Liabilities	<u>\$ 1,585,991</u>	<u>\$ 58,801,341</u>	<u>\$ 58,864,334</u>	<u>\$ 1,522,998</u>
 <u>Education for Employment</u>				
Assets				
Cash and cash equivalents	\$ 7,615	\$ 10,141	\$ 11,094	\$ 6,662
Total Assets	<u>\$ 7,615</u>	<u>\$ 10,141</u>	<u>\$ 11,094</u>	<u>\$ 6,662</u>
Liabilities				
Due to other governments	\$ 7,615	\$ 10,141	\$ 11,094	\$ 6,662
Total Liabilities	<u>\$ 7,615</u>	<u>\$ 10,141</u>	<u>\$ 11,094</u>	<u>\$ 6,662</u>
 <u>Totals - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 8,567	\$ 57,289,331	\$ 57,290,389	\$ 7,509
Due from other governments	1,585,039	1,522,151	1,585,039	1,522,151
Total Assets	<u>\$ 1,593,606</u>	<u>\$ 58,811,482</u>	<u>\$ 58,875,428</u>	<u>\$ 1,529,660</u>
Liabilities				
Due to other governments	\$ 1,593,606	\$ 58,811,482	\$ 58,875,428	\$ 1,529,660
Total Liabilities	<u>\$ 1,593,606</u>	<u>\$ 58,811,482</u>	<u>\$ 58,875,428</u>	<u>\$ 1,529,660</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
DISTRIBUTIVE FUND
FOR THE YEAR ENDED
JUNE 30, 2007

	Pinckneyville CUSD #101	Giant City CUSD #130	Carbondale CUSD #165	Trico CUSD #176	Murphysboro CUSD #186	Elverado CUSD #196	Comm. Cons. CUSD #204
General State Aid - Sec. 18-8	\$ 1,780,919	\$ 844,437	\$ 2,083,819	\$ 2,892,467	\$ 8,002,086	\$ 2,203,701	\$ 496,905
General State Aid - Hold Harmless/Supplemental	-	-	-	-	-	-	-
Transition Assistance	-	-	6,787	-	6,066	-	-
Sp. Ed. - Private Facility Tuition	-	-	13,141	-	-	-	-
Sp. Ed. - Extraordinary	25,280	47,573	162,889	210,092	659,668	76,142	38,792
Sp. Ed. - Personnel	55,968	31,527	191,156	134,085	1,697,073	53,885	28,737
Sp. Ed. - Orphanage - Individual	1,975	-	75,297	13,555	1,039,712	4,842	3,228
Sp. Ed. - Orphanage - Summer Individual	-	-	-	-	15,158	-	-
Sp. Ed. - Summer School	-	-	-	-	625	-	-
V.E. Career & Technical Ed. Imp.	-	-	-	-	-	-	-
Agriculture Ed.	-	-	-	-	-	-	-
Bilingual Ed. - Downstate - TPI & TBE	-	-	2,690	-	208	-	-
State Free Lunch & Breakfast	1,315	1,207	8,359	7,879	28,294	5,699	837
School Breakfast Incentive	99	57	467	63	709	593	10
Driver Education	20,041	-	38,191	12,469	21,389	4,955	-
Transportation - Regular & Vocational	108,681	48,014	149,945	565,624	714,939	258,023	86,390
Transportation - Special Education	72,219	19,246	133,482	180,195	378,201	97,854	29,217
ROE School Bus Driver Training	-	-	-	-	-	-	-
National Board Certification Initiatives	-	-	3,000	-	-	-	-
Truants Alternative/Operational Ed.	-	-	66,261	-	-	-	-
Regional Safe Schools	-	-	-	-	-	-	-
Early Childhood - Block Grant	-	-	140,000	-	3,755,657	-	-
Reading Improvement Block Grant	-	13,009	-	32,933	83,312	20,683	10,196
Reading Improvement Block - Read. Rec.	-	-	-	-	-	-	-
ROE/ISC Operations	-	-	-	-	-	-	-
Supervisory Expense	-	-	-	-	-	-	-
ADA Safety & Educational Block Grant	19,457	9,993	40,662	34,962	75,324	19,014	7,483
Technology LTC	-	-	-	-	-	-	-
Orphanage Tuition	-	-	18,780	-	-	-	-
Arts and Foreign Language Assistance	-	-	-	35,000	-	-	-
Title V - Innovative Programs - Formula	695	469	2,251	4,736	4,893	1,076	355
Title V - Innovative Programs - SEA Projects	-	-	-	-	-	735	-
National School Lunch Program	24,472	25,587	98,614	136,500	421,038	100,164	19,586
School Breakfast Program	8,365	6,332	52,016	42,083	164,835	32,701	5,285
Summer Food Service Program	-	-	-	-	15,000	-	-
Child Nutrition Commodity/Salvage	29	46	74	157	361	78	44
IASA - Title I - Low Income	32,013	53,608	287,206	188,606	724,154	145,021	27,177
IASA - Title I - Comprehensive School Reform	-	-	-	-	-	-	-
IASA - Even Start	-	-	-	-	152,206	-	-
Illinois Reading First	-	-	-	-	-	-	-
Title IV - Safe & Drug Free Schools - Formula	1,056	1,203	5,824	6,370	15,585	3,150	740
Title IV - 21st Century Comm L C	-	-	-	-	-	88,175	-
Sp. Ed. Pre-School	-	-	-	-	104,532	-	-
Special Educ. IDEA	-	-	-	-	2,979,274	-	-
Fed. - Sp. Ed. - I.D.E.A. - Room & Board	-	249	-	337	2,559	-	-
V.E. Perkins Title II Sec.	-	-	-	-	-	-	-
Title III - Immigrant Education Program	-	-	-	-	-	-	-
Title II - Teacher Quality	14,914	20,334	47,055	54,791	223,145	29,486	10,375
Technology Enhancing Education - Formula	441	570	3,056	1,844	8,338	1,718	557
Tech - Enhanc. Ed. Competitive	-	-	-	-	-	-	-
Hurricane Education Relief Act	-	-	-	-	12,500	3,750	-
School Technology Revolving Program	-	-	175,000	48,475	-	-	-
TOTALS	\$ 2,167,939	\$ 1,123,461	\$ 3,806,022	\$ 4,603,223	\$ 21,306,841	\$ 3,151,445	\$ 765,914

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
DISTRIBUTIVE FUND
FOR THE YEAR ENDED
JUNE 30, 2007

	DuQuoin CUSD #300	Tamara CUSD #5	Pinkneyville CUSD #50	DeSoto CUSD #86	Carbondale CUSD #95	Educ. Service Reg.	Regional Delivery	Total
General State Aid - Sec. 18-8	\$ 6,101,502	\$ 576,175	\$ 2,277,670	\$ 923,832	\$ 2,274,876	\$ 63,155	\$ -	\$ 30,521,544
General State Aid - Hold Harmless/Supplemental	-	-	-	-	208,480	-	-	208,480
Transition Assistance	-	-	-	-	-	-	-	12,853
Sp. Ed. - Private Facility Tuition	-	-	-	-	-	-	-	13,141
Sp. Ed. - Extraordinary	210,417	19,743	164,205	52,145	320,449	-	-	1,987,395
Sp. Ed. - Personnel	235,716	27,434	98,837	55,785	252,346	-	-	2,862,549
Sp. Ed. - Orphanage - Individual	-	-	15,861	3,459	24,483	-	-	1,182,412
Sp. Ed. - Orphanage - Summer Individual	-	-	-	-	-	-	-	15,158
Sp. Ed. - Summer School	-	-	-	-	107	-	-	732
V.E. Career & Technical Ed. Imp.	-	-	-	-	-	-	290,412	290,412
Agriculture Ed.	-	-	-	-	-	-	11,115	11,115
Bilingual Ed. - Downstate - TP1 & TBE	-	-	-	-	17,783	-	-	20,681
State Free Lunch & Breakfast	10,630	1,881	3,576	2,511	22,657	-	-	94,845
School Breakfast Incentive	305	40	311	211	329	-	-	3,194
Driver Education	22,035	-	-	-	-	-	-	119,080
Transportation - Regular & Vocational	318,317	26,288	92,288	29,865	568,243	-	-	2,966,617
Transportation - Special Education	106,176	45,814	144,005	83,866	387,359	-	-	1,677,634
ROE School Bus Driver Training	-	-	-	-	-	360	-	360
National Board Certification Initiatives	-	-	-	-	3,000	-	-	6,000
Truants Alternative/Operational Ed.	-	-	-	-	-	125,291	-	191,552
Regional Safe Schools	-	-	-	-	-	114,216	-	114,216
Early Childhood - Block Grant	-	-	-	-	431,930	-	-	4,327,587
Reading Improvement Block Grant	56,395	6,275	31,905	14,257	105,361	-	-	374,326
Reading Improvement Block - Read. Rec.	-	-	-	-	17,700	-	-	17,700
ROE/ISC Operations	-	-	-	-	-	70,514	-	70,514
Supervisory Expense	-	-	-	-	-	2,000	-	2,000
ADA Safety & Educational Block Grant	56,302	4,652	23,178	8,834	46,588	-	-	346,449
Technology LTC	-	-	-	-	-	148,680	-	148,680
Orphanage Tuition	-	-	-	-	-	-	-	18,780
Arts and Foreign Language Assistance	-	-	-	17,384	40,000	-	-	92,384
Title V - Innovative Programs - Formula	2,933	111	858	515	3,546	-	-	22,438
Title V - Innovative Programs - SEA Projects	-	-	-	-	-	-	-	735
National School Lunch Program	186,972	27,868	67,032	42,591	308,622	-	-	1,459,046
School Breakfast Program	67,553	11,625	15,141	12,933	123,225	-	-	542,094
Summer Food Service Program	26,317	-	-	-	-	-	-	41,317
Child Nutrition Commodity/Salvage	221	26	113	45	245	-	-	1,439
IASA - Title I - Low Income	400,862	44,627	152,173	87,323	803,946	-	-	2,946,716
IASA - Title I - Comprehensive School Reform	-	18,585	-	-	-	-	-	18,585
IASA - Even Start	-	-	-	-	-	-	-	152,206
Illinois Reading First	-	-	-	-	-	-	-	-
Title IV - Safe & Drug Free Schools - Formula	6,533	351	3,154	1,077	10,988	-	-	56,031
Title IV - 21st Century Comm L C	-	-	-	-	-	-	-	88,175
Sp. Ed. Pre-School	-	-	-	-	-	-	-	104,532
Special Educ. IDEA	-	-	-	-	-	-	-	2,979,274
Fed. - Sp. Ed. - I.D.E.A. - Room & Board	-	-	-	-	-	-	-	3,145
V.E. Perkins Title II Sec.	-	-	-	-	-	-	155,333	155,333
Title III - Immigrant Education Program	-	-	-	-	-	-	-	-
Title II - Teacher Quality	97,693	5,546	54,196	18,097	157,312	-	-	732,944
Technology Enhancing Education - Formula	3,955	379	1,490	875	8,947	-	-	32,170
Tech - Enhanc. Ed. Competitive	-	-	-	-	-	-	-	-
Hurricane Education Relief Act	5,000	-	-	-	-	-	-	21,250
School Technology Revolving Program	-	-	-	-	-	-	-	223,475
TOTALS	\$ 7,915,834	\$ 817,420	\$ 3,145,993	\$ 1,355,605	\$ 6,138,522	\$ 524,216	\$ 456,860	\$ 57,279,295